



THE ARSENAL FOUNDATION

Annual Report and Financial Statements

For the year ended 31 May 2020

Company Number: 07923266
Registered Charity Number: 1145668

The Arsenal Foundation

Annual Report and Financial Statements for the year ended 31 May 2020

Content	Page
Directors and Trustees - Legal and Administration information	1
Trustees' Annual Report	2-9
Independent auditor's report	10-12
Statement of financial activities	13
Balance sheet	14
Cash Flow Statement	15
Notes to the financial statements	16-23

The Arsenal Foundation

Directors and Trustees - Legal and Administration information

The Trustees present their annual report and the audited Financial Statements for the year ended 31 May 2020.

Charity Name

The Arsenal Foundation

Company Number

07923266

Charity Number

1145668

Registered Office

Highbury House
75 Drayton Park
London N5 1BU

Constitution

Incorporated on 25 January 2012 as a Company limited by Guarantee and a Registered Charity to take over the activities of the unincorporated Charitable Trust, The Arsenal Foundation.

Directors and Trustees

The Trustees who have served throughout the year and up to the date of signing are:

K J Friar
D Miles
A Sefton
S Geissmar
A Jolly
F Hudson
V Venkatesham

Bankers

Barclays Bank Plc
Holloway & Kingsland Business Centre
London, E8 2JX

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne, NE1 4BF

Auditor

Deloitte LLP
Statutory Auditor
Hill House, 1 Little New Street, London, EC4A 3TR

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

The Trustees, who are also directors of the charitable company, present their annual report and the audited Financial Statements for the year ended 31 May 2020.

Governing Document

The Arsenal Foundation is a company limited by guarantee (company no. 07923266) incorporated in the UK and registered charity (charity no. 1145668) in England and Wales. Its address is Highbury House, 75 Drayton Park, London N5 1BU.

The Financial Statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice – Accounting and Reporting by Charities 2019 (SORP 2019), and applicable UK accounting standards. We have taken due regard to public benefit guidance published by the Charity Commission. The Trustees' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions, and accordingly exemption has been taken from the requirement to prepare the Strategic Report.

Key Management Personnel

The Trustees consider the Board of Trustees as the Key Management Personnel of the charity in charge of directing and controlling the charity. All Trustees give their time freely and no Trustee remuneration was paid in the year (2019: £nil). Details of Trustee expenses are disclosed in note 2 of the accounts.

In February 2020 The Arsenal Football Club appointed a new Director to manage the day-to-day activities of The Arsenal Foundation; the appointed individual was seconded from The Arsenal Football Club to The Arsenal Foundation on the basis that related costs of such appointment are reimbursed to the Club.

Risk Management and our response to Covid 19

The principal risk to The Arsenal Foundation, as documented in previous annual reports, has been that donations reduce and projects cannot be funded. Therefore the Trustees continued to observe a reserve policy which would support approximately 12 months of donations so that beneficiaries would not be disadvantaged in the event that donations reduce for unforeseen reasons. The Trustees confirmed that exposure to this risk was regularly reviewed, and as stated, the reserve policy had been established to mitigate this risk.

In 2020, such mitigation was put to the test when in March 2020, the COVID-19 pandemic was confirmed by the World Health Organisation. This pandemic has posed the greatest unforeseen risk to the Foundation. The pandemic did and continues to impact our ability to raise income through events and therefore also impacts our grant making abilities. Our income pre pandemic in 2019 and our reserves policy has ensured for this year we are in a position to honour our current commitments and that our beneficiaries are not disadvantaged.

The Trustees have also ensured the activities of The Arsenal Foundation were and continue to be compliant throughout the pandemic by adhering to government regulations in relation to the health and safety of those participating in the programmes we support. This was reviewed regularly with our partner organisations on the ground.

In relation to income and in line with government regulations, our largest fundraising event of 2020, A Night to Inspire, was cancelled. We also postponed our trek to Jordan which was due to take place in March 2020. Mitigation included communications to all potential donors and in the case of the Trek the opportunity to rebook for a later date in March 2022. In this current climate donors have shown their willingness to continue to support The Foundation once events can resume. In relation to the trek event to Jordan, 80% of those signed up in 2020, have rolled over their commitment to 2022. The income lost in this year based on prior year charity ball totals approx. £420,000.

Our COVID-19 Response to those in need in our local community was agreed by Trustees and managed effectively through our governance model. The Foundation pledged £100,000, of which £99,600 was spent in 19/20 with the remainder in 2021, as part of our COVID-19 Response and working with our partners, we were able to assess the areas of greatest need within our local communities in North London. We reallocated funding from our Gunners Fund which is used for local community grants and allocated through the governance of our Gunners Fund Committee. A number of individual supporters also donated to this local response, particularly our food drops as many local food banks suffered

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

significantly during lockdown. From a standing start in April 2020, in December 2020, we delivered our 500,000th meal into our local community. An astonishing achievement during the pandemic.

We also reached out to our global communities and with our partner, Save the Children, adapted our programming so that sessions could be delivered remotely. Once again throughout the pandemic and especially when lockdown restrictions eased we ensured compliance with all government regulations in relation to social distancing, mask wearing and any other government restrictions. Save the Children agreed a no cost extension of our Coaching for Life programme due to the delays in face to face activities from March 2020. A new programme and payment schedule was agreed and signed by both parties in December 2020.

The impact of cancelling our largest income generating events has meant that we revised all grant renewal discussions. Following a previous three year commitment our agreement with the Willow Foundation was due for renewal in 2020. Our Trustees considered this renewal and agreed that given the COVID-19 impact on income all renewals including Willow would be reviewed on a case by case basis. The Trustees approved a one year grant to Willow in May 2020 for £39,500, in addition to £10,500 of payments already made in the year. Mitigation included informing our partners of this revision due to the impact of COVID 19. This has been understood by our partners.

We continue to review the impact of the pandemic on our income stream with mitigation plans in place to continue to fundraise by engaging our players, our high net worth donors and potential institutional donors through direct asks and an online targeted event. This will be continuously reviewed in light of the fact that the pandemic continues and we are unable to hold Night to Inspire in 2021. This continued risk to income will mean that our reserves will fall below the level of our policy in 2021. Except for our commitment to Save the Children which was agreed in March 2021 we have not made any further long term or material commitments. We continue to review grant applications and will consider them on a case by case basis considering the levels of income and reserves at the time of application and the likely timeframe of the cashflow required. With no new commitments the risk of disadvantaging beneficiaries is mitigated. We are hopeful that once income levels return we will be in a position to make longer term new commitments to partners once again.

In order to mitigate any reputational risk The Arsenal Foundation carries out appropriate due diligence on its core partners and on grantees. Further, regular reporting from grantees ensures that donations are appropriately used.

The Trustees have considered the potential implications on The Arsenal Foundation of the UK leaving the European Union. The Trustees are satisfied that the objectives of The Arsenal Foundation and its on-going activities will not be negatively impacted by any departure of the UK from the European Union. The Trustees will continue to monitor the legal, regulatory and economic developments related to Brexit and any potential impact on The Arsenal Foundation.

In November 2020 Arsenal FC became the first Premier League club to sign up to the UN Sports for Climate Action Framework. The UN initiative aims to bring together the global sports community with a commitment to align with the goals of the Paris Agreement and support the ambition to achieve climate neutrality by 2050. In a 2019 study by the BBC and the United Nations-backed Sport Positive Summit, Arsenal FC topped the league table on sustainability among Premier League clubs. One year on, we are proud to build on the work we are already doing in this area and encourage positive climate action to our millions of supporters around the world. "Together with our partners, we've already implemented a number of environmentally-friendly practices across the club. This includes becoming the first Premier League club to switch to 100 per cent green electricity since the beginning of our partnership with Octopus Energy in 2016, and a new partnership with aluminium packaging company Ball Corporation, which is designed to help us and our millions of fans around the world reduce our impact on the environment. We will continue to use the power and reach of Arsenal to inspire our global communities and push each other towards a more sustainable future." Arsenal FC's operations director, Hywel Sloman, said. At the Arsenal Foundation we undertake due diligence on all partners including reviewing climate change practices.

As The Arsenal Foundation is a grant making foundation and has no employees the Trustees do not believe that there are any other material risks.

Objectives

The objectives of the charity are:

- To relieve sickness or distress of any persons through such means as the Trustees think fit, including, in particular (but not by way of limitation) among those who may be injured while participating in any sport and of any dependent of any person(s) who may be injured or killed while participating in any sport.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

- To promote community participation in healthy recreation by providing facilities for the playing of association football and other sports capable of improving health ("facilities" for this purpose, means land, buildings, equipment and organising sporting activities).
- To provide and assist in providing facilities for sport, recreation or other leisure time occupation to such persons who have need for such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To advance the education of children and other persons (including their academic, social, physical education and skills training) through such means as the Trustees think fit in accordance with applicable laws.
- To relieve poverty, hardship and economic deprivation within the community by providing financial and other material assistance for those in need or by such other means as the Trustees think fit.

The Arsenal Foundation Activities

The Arsenal Foundation continues its work to provide inspiration and support to young people to build their confidence and life skills to help them envisage a future in which they can fulfil their potential. At The Arsenal Foundation we fund projects in our local community in Islington, Hackney and Camden and internationally largely through our global partnership with Save the Children. Throughout the pandemic we have adapted our activities to ensure we supported those most in need in our communities.

The Foundation works closely with partners including Save the Children and Islington Giving to assess needs and respond appropriately. Through these partnerships, we continue to be able to reach a great number of young people in the UK and overseas using the Arsenal name and expertise in football to motivate and inspire beneficiaries through a number of diverse projects.

Supporting our Global Communities - Coaching for Life Partnership

This year, through our partnership with Save the Children we continued to co-design and deliver the Coaching for Life project, creating specialist modules that utilise football activities to provide participants with the opportunity to improve their physical and mental health and well-being and to further their life skills. This project continues to be developed in the Za'atari refugee camp in Jordan and in the slum communities of Jakarta, Indonesia.

Pre Pandemic

- Prior to the pandemic, in 2019 we co-implemented and co-delivered Cycles 1 & 2 of the 20-week Football for Resilience sessions in Jordan & Indonesia. We also identified and trained 19 Junior Coaches in Jordan to develop life skills and support programme delivery. Children from both countries participated in a knowledge exchange programme in Jordan in November 2019. We also delivered ten football tournaments in Jordan and completed renovation of all pitches in Indonesia to ensure all seven pitches were operational. A Children's Advisory Group was established in Indonesia to champion local child rights and child protection.
- In August 2019 Arsenal Women's player Leah Williamson visited Coaching for Life in Jakarta. Coverage of this visit reached circa. 4m people. Leah's engagement with the girls in the programme opened up the opportunity for more people to hear about and support our work. Leah remains a great advocate of our work and presented Coaching for Life on our Arsenal Together online event in June 2020 which went out live to all our supporters worldwide.
- In November 2019, Arsenal MD and Arsenal Foundation Trustee Vinai Venkatesham visited the programme in Za'atari camp in Jordan and his reflections and support for the programme was published in The Telegraph, once again enabling the impact of our work to reach a wider audience and potentially new supporters.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

- In January 2020, we were invited to speak on a panel in Davos at the Right to Recover event hosted by Global Citizen Forum about the impact of Coaching for Life and to discuss our role in our partnership with Save the Children. Other panelists included Kevin Watkins CEO of Save the Children and Dr. Leslie Snider head of the MHPSS (Mental Health and Psycho Social Support) Collaborative and research facility based in Denmark, who is leading the independent research into the impact of our Coaching for Life programme.
- In February 2020 three Arsenal Gap Year Coaches were deployed to Za'atari to support delivery of Cycle 2, to provide refresher training and strengthen skills of local coaches. The Gap Year Coaches also supported on a live video call with Arsenal Players. They met and spoke with two boys living in Za'atari and attending Coaching for Life. This was promoted through social media and Arsenal club channels.

During the Pandemic

- During the pandemic, we worked very closely with Save the Children's team on the ground to co-create adaptations to our Coaching for Life programme so that it could be delivered remotely. Our Arsenal in the Community project lead coach, based in North London, developed a series of football training videos, which were translated into Arabic. These Arsenal videos were signed off by the Ministry of Education in Jordan and formed part of the education curriculum for primary school children. The videos were aired daily on national television during lockdown. This work had the added benefit of strengthening our relationship with the Ministry of Education, advocating for our Coaching for Life programme and creating a good foundation for discussing future scale and sustainability.
- Post May 2020 - When restrictions in the camp were lifted we continued to use our expertise and our experience of working in our local communities in North London. We did this by sharing and advocating the social distancing models we had developed for use in the UK. The level of detail and expert design within these modules gave the UNHCR camp authorities and the refugee communities themselves confidence to sign-off on socially distanced football sessions resuming. Without a detailed plan and models available, football sessions would not have resumed in the camp. Once again, this sharing of expertise helped to advocate even stronger relations with the camp authorities and the communities we supported.
- In Jakarta, Coaching for Life has been delayed due to strict government regulations around the pandemic. The current Coaching for Life programme will now run until December 2021. The longer programme delay in Indonesia is due not only to government regulations and a strict lockdown but also due to the fact that we are working in slum communities where there is less access to digital devices and therefore the take up of remote delivery sessions is much more difficult. However, we have continued to send the communities messages of support and some of our female players have dialed in to speak to the young girls on the programme, which was a real boost. We also have held a workshop with the delivery team on the ground using the time to review lessons learnt from the previous year and to adapt programme modules to ensure greater levels of engagement. We will review the programme on a monthly basis throughout 2021.

We strongly believe that the Coaching for Life project can in the future be expanded and replicated in other countries once the initial project has been completed and its impact has been evaluated. Backed up by evidence of its impact, Coaching for Life is envisaged to provide an opportunity to directly benefit many thousands of children, young people and adults, further expanding the reach and impact of The Arsenal Foundation and that of the wider sport for development sector.

Supporting our Local Communities

Pre Pandemic

Our relationship with Islington Giving continues to provide a partnership through which we can identify local needs and work together to address such needs whether this is for young people or those in adulthood including the elderly. Our combined local experience means we understand the level and complexity of need in the local borough and can tailor projects and/or grants to these local needs whilst being flexible enough to adapt where needs change.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

Smaller organisations and projects local to Arsenal Football Club continued to benefit from The Arsenal Foundation's Gunners' Fund grants throughout the year. The Gunners Fund awards grants of up to £2,500 per application, making a big difference to smaller projects which benefit the local community in Islington, Camden and Hackney. Prior to March 2020, The Gunners Fund distributed £56,157 to a variety of local initiatives. For example, The Arsenal Foundation has helped fund North London Cares, a community network of young professionals and older neighbours supporting each other. Kate Harwood, 75, tells us about the Finding Friends Through Football scheme, *"People think old people are a cohesive group but we're all very different so we learn about each other as well and share life stories. We all have very different experiences. I love the fact that the club I support in turn supports the local community"*

These are just some examples of the types of projects the Gunners Fund has supported and we will continue to look for ways to increase and diversify the support to local projects so as to reach as wide and diverse a group of local beneficiaries as possible.

The Willow Foundation (Willow) received £50,000 from The Arsenal Foundation in this financial year. This support from The Arsenal Foundation helps fund unique special days for young people with conditions such as motor neurone disease, muscular dystrophy, and Huntington's disease. Special days include family breaks, theatre shows, sightseeing trips and music concerts, as well as experiences with Arsenal principally around match days. Willow's special days offer great opportunities to create powerful memories in challenging times for sick young people and their families.

Arsenal in the Community (AIRC), the community department of Arsenal Football Club delivers over 40 programmes within the boroughs of Islington, Camden and Hackney. AIRC received funding totaling £318,508 from the Arsenal Foundation during the 2019/20 financial year to support the development of three project areas. The Arsenal Gap Year programme provides opportunities for aspiring football coaches to undertake a year's placement with Arsenal in the Community gaining coaching qualifications and experience within schools and community groups in north London and the opportunity to travel and coach football internationally. The Arsenal Gap Year Programme received £130,000. The Arsenal Employability Provision provides support to individuals to progress into education or employment. The funding received from The Arsenal Foundation amounted to £41,000 for the development of The Arsenal Saturday Jobs Programme providing paid work experience to young people aged 16-18 to enhance their future employment prospects. Arsenal in the Community has had a longstanding partnership with Freedom From Torture, a local organisation based in Finsbury Park who provide support to individuals who have survived torture and are settling in the UK. The Arsenal Foundation provided £20,000 to support the delivery of football sessions as a therapeutic form of engagement. The remaining funding of £127,508 was provided to Arsenal in the Community to support the management of the Coaching For Life Programme.

During the Pandemic

In March 2020, the Trustees approved that the Gunners fund would be allocated to our COVID-19 Response Fund. This fund was announced on our website and local organisations who were responding to the needs within our local community due to the pandemic were encouraged to apply.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020



We have never shied away from responding to the needs of our community.

In these uncertain times we are taking a series of steps so that our local and global communities feel our full support:

- £100k for local charities and organisations
- £50k redirected to Islington Giving's Crisis Fund
 - Club cars to help frontline NHS staff
 - Staff volunteers to drive NHS staff
- Local schools and pupil referral unit support
- Digital resources for primary school children
 - BTEC tutors delivering classes remotely
 - Regular contact for vulnerable youngsters
- Remote Coaching for Life in Jordan and Indonesia



The governance of the COVID-19 Fund remained under the governance of the Gunners Fund and allocations by the Gunners Fund committee were based on published criteria.

The Arsenal Foundation remains committed to both its local and international giving and projects to benefit young people to fulfil their potential. We will continue to strive to find meaningful and effective ways of helping young people who face challenges in their lives to find confidence, life skills and motivation to reach their goals.

Financial Review

During the year ended 31 May 2020, the Foundation had total income of £386,038 (2019: £1,866,623). This reduction in income reflects a £1m one off donation in the prior year plus an estimated £420,000 related to the Night to Inspire Charity Ball, based on the previous year's actuals. Full details of donations received are contained in note 3 of the accounts.

In December 2019 Arsenal Football Club's Arsenal Giving Match Day in support of The Arsenal Foundation raised £214,300 (2019: £209,749), with generous donations from the Players of the Arsenal Men's and Women's First team who donated a day's wages to the Foundation.

The Trustees expended resources of £1,351,314 (2019: £1,092,814) which included £1,270,004 (2019: £882,052) which was donated to a range of causes reflecting the objectives of the Foundation. Our expenditure has increased in the year which reflects the agreement made with Save the Children in May 2020 to continue to support the Coaching for Life programmes in Jordan and Indonesia during 2020/21 (and 2021/22).

All resources expended are expended in line with the objectives of the Foundation. Full details of grants made by The Arsenal Foundation are contained in note 4 of the financial statements. Restricted funds are regularly reviewed to ensure the funds are being spent in line with the restrictions imposed by the donor.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

The attached accounts show the current state of the Foundation's finances, which the Trustees consider to be satisfactory. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning the Foundation's future activities.

Grant Policy

The Trustees have reviewed and updated the Grant Making Guidelines to reflect current and best practice. Our COVID-19 Response fund application guidelines are available online.

Requests for grants received are all individually evaluated against predefined criteria to ensure they meet the Foundation's objectives. Monitoring and evaluation of projects supported by the Foundation are carried out through a reporting process from the grantees.

Reserves Policy

The Trustees regularly discuss the status of the Foundation's reserves to ensure that adequate reserves are in place. As at 31 May 2020 the Foundation had total funds of £ 1,100,684 (2019: £2,065,960). Of those funds £ 766,831 (2019: £1,034,994) were restricted.

The Foundation Reserve Policy is to hold in reserve approximately £750,000. This has previously been based on approximately 12 months of operating costs, but this policy is currently under review, due to the reduction of income and thus the level of grants being awarded as a result of Covid-19.

The Current Reserves held at the end of the financial year consists of unrestricted funds of £333,853 (2019: £1,030,966).

The level of reserve has declined as at 31st May 2020 due to the cancellation of our Night to Inspire ball which is our key annual fundraiser. Our reserve level is reviewed by the Trustees on a regular basis to ensure we can fulfil our commitments.

Future Periods

Unfortunately, due to COVID-19 regulations our Night to Inspire gala will also be cancelled in 2021. As this is our key fund-raiser we are planning to mitigate by holding a smaller online event in 2021. We have researched charity online events which have been held during the pandemic and the returns have rarely been significant. We will also continue to have our dedicated match day in 2021 and are planning some events around our return to football games with fans. Our supporters are aware of the risks to our income and it is hoped these fundraising events will allow us to continue to meet our objectives. We have also been supported by our partners, Save the Children who have made a commitment at CEO level to support fundraising for the partnership and have secured a donation of £57k in December 2020 from Save the Children Italy towards CFL in Jordan in 2021.

Going Concern

Having considered the reserves policy and the actions above the trustees have considered forecasts – including a range of potential income levels and consider that they can manage the cash flows and liabilities of the charity and therefore the trustees consider that they have a reasonable expectation that the Foundation will have adequate resources to continue in operational existence for at least twelve months from the date of signing this report.

Structure, governance and management

The Trustees have overall responsibility for the direction, management and control of The Arsenal Foundation. The Trustees have equal voting rights, and meet on a biannual basis, at a minimum. The appointment of Trustees must be made by the current Trustees at a special meeting. Each Trustee has been given the appropriate induction and training.

The Trustees would like to give special thanks to a number of individuals including the Ambassadors of The Arsenal Foundation who have so generously supported us with their donations, time and expertise. Thank you to Mikel Arteta , Edu Gaspar, Leah Williamson, Joe Montemurro, Liam Brady, Martin Keown, Robert Pires, David Seaman, Bob Wilson, Dermot O'Leary and Matt Lucas.

The Trustees would also like to thank Per Mertesacker for his important contribution to the work of The Arsenal Foundation.

The Arsenal Foundation

Trustees' Annual Report For the year ended 31 May 2020

In addition to the above the Trustees are extremely grateful to the Af Jochnick Foundation, Peter Olsen, Lesley Williams and Shkodran Mustafi who have so generously supported The Arsenal Foundation.

Finally, our heartfelt thanks to all those who so generously made donations to The Arsenal Foundation enabling our projects to continue, increase in scope and diversity and reach even more individuals around the world ensuring that these individuals could see hope and potential in their futures.

Trustees' statement of responsibilities

The Trustees (who are also directors of The Arsenal Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make reasonable and prudent judgements and estimates;
- state whether applicable Accounting Standards have been followed and give details of any departures; and
- prepare the financial statements on a going concern basis unless in our view the charity will be unable to continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and the Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Deloitte LLP have been reappointed in office as auditors. The Trustees report was approved and signed on behalf of the Trustees.



Svenja Geissmar

Chair, Trustee
11 May 2021

The Arsenal Foundation

Independent auditor's report to the members of The Arsenal Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Arsenal Foundation (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating an income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Arsenal Foundation

Independent auditor's report to the members of The Arsenal Foundation

We have nothing to report in respect of these matters.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the Trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption in preparing the Trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

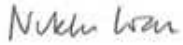
Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable

The Arsenal Foundation

Independent auditor's report to the members of The Arsenal Foundation

company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nikki Loan FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
11 May 2021

The Arsenal Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 May 2020

		Unrestricted 2020	Restricted 2020	Total 2020	Unrestricted 2019	Restricted 2019	Total 2019
Income from:	Notes	£	£	£	£	£	£
Donations	3	270,319	114,495	384,814	340,365	1,102,000	1,442,365
Other trading activities	3	(1,200)	-	(1,200)	238,422	183,160	421,582
Investments	3	2,424	-	2,424	2,676	-	2,676
Total income		271,543	114,495	386,038	581,463	1,285,160	1,866,623
Expenditure on:							
Raising funds	5	(13,778)	-	(13,778)	(132,773)	-	(132,773)
<i>Charitable activities</i>							
Other grants	4	(954,878)	(382,658)	(1,337,536)	(403,526)	(556,515)	(960,041)
Total expenditure		(968,656)	(382,658)	(1,351,314)	(536,299)	(556,515)	(1,092,814)
Net (expenditure) /income before transfers		(697,113)	(268,163)	(965,276)	45,164	728,645	773,809
Transfers	9	-	-	-	-	-	-
Net (expenditure) /income after transfers		(697,113)	(268,163)	(965,276)	45,164	728,645	773,809
Reconciliation of funds							
Total funds brought forward		1,030,966	1,034,994	2,065,960	985,802	306,349	1,292,151
Net movement in funds for the year		(697,113)	(268,163)	(965,276)	45,164	728,645	773,809
Total funds carried forward		333,853	766,831	1,100,684	1,030,966	1,034,994	2,065,960

The above results all derive from continuing operations.

There were no gains and losses in the current or prior year other than as set out in the statement of financial activities above, and accordingly no separate statement of total recognised gains and losses is presented.

The Arsenal Foundation
Balance Sheet as at 31 May 2020

	Notes	2020 £	2019 £
Current assets			
Debtors	7	28,139	217,890
Short term treasury deposit		-	500,000
Cash at bank and in hand		1,792,668	2,168,964
Total		1,820,807	2,886,854
Creditors: amounts falling due within one year	8	(607,126)	(804,249)
Net current assets/Total assets less current liabilities		1,213,681	2,082,605
Creditors: amounts falling due after more than one year	8	(112,997)	(16,645)
Net assets		1,100,684	2,065,960
Funds	9/10		
Unrestricted funds		333,853	1,030,966
Restricted funds		766,831	1,034,994
Total Funds		1,100,684	2,065,960

These financial statements of The Arsenal Foundation (company number 07923266) a charitable company were approved and authorised for issue by the Trustees on 11 May 2021.

Signed on behalf of the Trustees



S. Geissmar
Chair, Trustee

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

Cash Flow Statement for the Year Ended 31 May 2020

	Total funds 2020 £	Total funds 2019 £
Net Cash Inflow from operating activities	(881,396)	809,907
Cash flows from Investing activities		
Treasury deposit	500,000	(500,000)
Interest received	5,100	-
Net Cash Flows from investing activities	505,100	(500,000)
Net increase in cash and cash equivalents	(376,296)	309,907
Cash and cash equivalents at beginning of year	2,168,964	1,859,057
Cash and cash equivalents at the end of the year	1,792,668	2,168,964

Reconciliation of net (expenditure)/income to net cash from operating activities

	2020 £	2019 £
Net (expenditure)/income for the year	(965,276)	773,809
Adjustments for:		
Investment income	(2,424)	(2,676)
Decrease in debtors	187,075	71,344
(Decrease) in creditors	(100,771)	(32,570)
Cash Inflow from by Operating Activities	(881,396)	809,907

The Arsenal Foundation

Notes to the financial statements

For the year ended 31 May 2020

1: Accounting policies

The Arsenal Foundation, a public benefit entity, is incorporated in England and Wales as a private company limited by guarantee not having a share capital.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Arsenal Foundation meets the definition of public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention.

The functional and presentation currency of The Arsenal Foundation is considered to be pounds sterling because that is the currency of the primary economic environment in which The Arsenal Foundation operates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of The Arsenal Foundation's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgments or key sources of estimation uncertainty at the reporting date other than those set out in the accounting policies.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when The Arsenal Foundation becomes a party to the contractual provisions of the instrument.

Financial assets which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, including trade and other receivables and cash and bank balances. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) The Arsenal Foundation transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) The Arsenal Foundation, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

Going concern

The Trustees have a reasonable expectation that The Arsenal Foundation will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. For additional details on the Foundation's future plans and other considerations relevant to going concern, please see the 'Future Periods' and 'Going Concern' sections of the annual report on page 8.

Income

All income becoming available to The Arsenal Foundation during the period is included when there is entitlement to the income, receipt is probable, and amounts can be measured with sufficient reliability. Appropriate proportions of income and expenditure are recognised from events organised jointly with third parties. Where the charity has received income in advance of a related event or where there are conditions that have not yet been met the income has been deferred.

The Arsenal Foundation

Notes to the financial statements

For the year ended 31 May 2020

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit and are available for use at the discretion of the Trustees in furtherance of the general objectives of The Arsenal Foundation.

Restricted funds are funds subject to specific restrictive covenants imposed by donors or by the purpose of the appeal.

Expenditure

Cost of charitable activities includes all expenditure directly related to the objectives of The Arsenal Foundation. This consists mainly of assessing grant applications and making and monitoring grants. It also includes support costs representing staffing and associated costs.

Cost of raising funds includes expenditure related to fundraising activities. It also includes support costs representing staffing and associated costs.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been recognised as support costs and allocated to activities on a basis consistent with staff time spent. The allocation of support costs is agreed on an annual basis by the Trustees as part of the budget process.

Governance costs, which include audit, tax and accountancy fees associated with the governance of The Arsenal Foundation, are included within support costs.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such as grants, with conditions attached which are recognised as expenditure when the conditions attached are fulfilled. Grants are charged to the statement of financial activities when a constructive obligation exists, notwithstanding that they may be paid in future accounting years.

Other expenditure incurred in charitable activities disclosed in note 4 are those attributable directly to charitable activities.

Any services donated by The Arsenal Football Club, such as staff, other than those staff specifically seconded to work for the foundation, are treated as donations with no conditions attached. No value has been ascribed to the time as it is not easily measurable.

Grant creditors

Grant creditors are recognised when the grant awarded to a beneficiary is measurable, payment is probable and a present legal or constructive obligation exists at the year-end, but the cash has not yet been paid. Where the expected payment date falls within twelve months of the reporting date, the creditor is classified as a current liability; when payment is due to fall later than this date, the creditor is classified as a non-current liability.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Trustees' remuneration and expenses for the year ended 31 May 2020

No remuneration directly or indirectly out of the funds of The Arsenal Foundation was paid or payable for the year to any Trustees or to any person or persons known to be connected with any of them (2019: £nil). Reimbursement of expenses has been made to the Trustees in respect of the period of £nil (2019: £nil).

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

3. Income for the year ended 31 May 2020

	2020	2019
	£	£
Donations received		
Arsenal Giving Match Day	214,300	209,749
Lotto	-	17,872
Legends Match	-	56,608
Online Donations	3,173	7,555
Gift Aid	7,181	8,146
Major Donors	-	1,000,000
Other donations (£10,000 and over)	115,000	102,000
Other donations (Below £10,000)	45,160	40,435
	384,814	1,442,365
Night to Inspire Charity Event	(1,200)*	421,582
Interest on treasury deposits	2,424	2,676
	386,038	1,866,623

* This relates to a release of an accrual from the previous year's Night to Inspire event, relating to outstanding guest donations that were not received.

4. Charitable activities for the Year Ended 31 May 2020

	2020	2019
	£	£
Save the Children	597,199	517,907
Islington Giving	50,000	50,000
Willow	50,000	72,376
Emergency appeal (Save the Children)	-	25,000
Local pitches (Legends fund)	35,410	38,608
Gunners fund	56,157	73,891
Covid-19 grants*	99,600	-
Other grants- To Individuals	2,630	5,060
Other grants- To Institutions**	379,007	99,210
Other direct expenditure incurred on charitable activities	33,805	29,514
Support costs (note 6)	33,728	48,475
	1,337,536	960,041

*£62,400 (2019: Nil) was donated to HIS Church relating to Covid food drops.

**£318,508 related to payments to AFC Community as disclosed in note 11 and £191,000 of this was funded by a prior year restricted donation.

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

5. Raising Funds

	2020 £	2019 £
Night to Inspire Charity Event expenditure	(2,834)*	108,887
Support Costs (note 6)	16,612	23,886
	13,778	132,773

*This relates to an over accrual of costs relating to the previous year's Night to Inspire event.

6. Support costs

	2020 £	2019 £
Seconded staff	38,543	61,471
Governance costs	11,797	10,890
	50,340	72,361

Governance costs relate to audit, accountancy and tax work. The fees payable to The Arsenal Foundation auditor for the audit of the charity's annual accounts is £6,000 (2019: £6,500).

Seconded staff costs relate to the Foundation's Director, who is employed by The Arsenal Football Club. The seconded staff costs comprise the following:

	2020 £	2019 £
Wages and salaries	32,526	50,000
Social security	4,290	6,888
Pension	1,727	4,583
	38,543	61,471

The average headcount analysed by function was:

	2020 No.	2019 No.
Administration and management	1	1

No employees (2019: none) received employee benefits (excluding employer pension costs) of more than £60,000

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

7. Debtors and accrued income

	2020 £	2019 £
Trade Debtor	22,134	41,028
Night to Inspire charity event donations - outstanding	-	174,186
Treasury Deposit Interest	-	2,676
Prepayments	6,005	-
	28,139	217,890

8. Creditors

	2020 £	2019 £
Amounts falling due within one year		
Trade creditors	23,490	129,742
<i>Accrued expenditure</i>		
Professional fees	10,800	11,180
Other creditors	5,286	103,764
Accruals for grants payable	567,550	559,563
	607,126	804,249

	2020 £	2019 £
Amounts falling due after more than one year		
Accruals for grants payable	-	16,645
Deferred Income	112,997	-
	112,997	16,645

	2020 £
Movement of Deferred Income	
Deferred income brought forward	-
Income released in the year	-
<i>Income deferred in the year</i>	112,997
Deferred Income Carried forward	112,997

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

9. Funds for the year ended 31 May 2020

	01-Jun 2019 £	Income £	Expenditure £	31-May 2020 £
Unrestricted				
<i>Unrestricted Funds</i>	1,030,966	271,543	968,656	333,853
Restricted				
COVID -19 Response	-	53,995	53,995	-
Arsenal in the Community	725,000	500	191,000	534,500
Local pitches (Legends fund)	267,741	-	35,410	232,331
Save the Children (Coaching for Life project)	42,253	60,000	102,253	-
Total Restricted	1,034,994	114,495	382,658	766,831
Total funds	2,065,960	386,038	1,351,314	1,100,684

The restricted funds (Legends fund) are funds received from The Arsenal Football Club, for the Legends Match in 2016/17. £232,331 has not yet been paid, this has been restricted by the donor and relates to projects for developing and building pitches in the local community.

Save the Children (Coaching for Life project) fund represents the money raised at the Night to Inspire Charity Event auction and from other sources specifically for the Coaching for Life project.

The restricted income for 'Arsenal in the Community' is for various projects and has been restricted by the donor

Comparative funds for the year ended 31 May 2019

	01-Jun 2018 £	Income £	Expenditure £	31-May 2019 £
Unrestricted				
<i>Unrestricted Funds</i>	985,802	581,463	(536,299)	1,030,966
Restricted				
Arsenal in the Community	-	725,000	-	725,000
Local pitches (Legends fund)	306,349	-	(38,608)	267,741
Save the Children (Charity ball)	-	560,160	(517,907)	42,253
Total Restricted	306,349	1,285,160	(556,515)	1,034,994
Total funds	1,292,151	1,866,623	(1,092,814)	2,065,960

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

10. Net assets by fund

	Debtors £	Cash and short term deposits £	Liabilities £	Balance 31-May 2020 £
2020				
<i>General</i>	27,639	848,935	(542,721)	333,853
<i>Restricted</i>	500	943,733	(177,402)	766,831
Total funds	28,139	1,792,668	(720,123)	1,100,684
	Debtors £	Cash and short term deposits £	Liabilities £	Balance 31-May 2019 £
2019				
<i>General</i>	43,730	1,290,223	(302,987)	1,030,966
<i>Restricted</i>	174,160	1,378,741	(517,907)	1,034,994
Total funds	217,890	2,668,964	(820,894)	2,065,960

11. Related party transactions

The Arsenal Foundation is independently run; however, it has a close relationship with Arsenal Holdings Limited and Mr K J Friar and Mr D Miles, who are Trustees, are also paid director and secretary respectively of that company. The amount collected by Arsenal Holdings Limited on behalf of the Foundation and paid over to the Foundation was £ 281 (2019: £40,679), along with £1,652 owed to Arsenal Holdings at year end (2019: £243 owed to the Foundation).

In the year, The Foundation paid £ Nil (2019: £38,796) to Arsenal Football Club in respect of recharges for the annual Night to Inspire charity event and £14,364 in relation to seconded staff costs. The balance in creditors is £23,250, the amount owing to Arsenal Football Club is £(929) (2019: £54,207) which relates to refunded costs recharged to the Foundation for the annual Night to Inspire charity event and for staff costs of £ 24,179 (2019: £61,471).

For the Night to Inspire event Arsenal Football Club owed £ Nil (2019: two tables, £20,000) The amount donated to Arsenal in the Community and paid over to Arsenal Football Club was £ 318,508 (2019: £nil). On occasion, the Foundation will make a donation to a charity at which a Trustee volunteers - any conflicts arising in respect of this are appropriately managed. In the year, trustees have made donations to The Arsenal Foundation which total £15,000.

There are no other related party transactions with trustees or connected persons or entities.

12. Tax for the year ended 31 May 2020

As a registered charity, The Arsenal Foundation is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 (CTA 2010) to the extent that these are applied to its charitable purposes. The financial statements do not therefore reflect any provision, reserve, or adjustment for taxation.

The Arsenal Foundation
Notes to the financial statements
For the year ended 31 May 2020

13.Future funding commitments

At the time of signing the accounts, The Arsenal Foundation has committed to funding of £192,000 in June 2021 to Save the Children. This commitment will be funded from The Arsenal Foundation's reserves as well as from funds raised from fundraising activities in the 2020/21 financial year.

The Arsenal Foundation has also committed to funding of £80,000 for a football pitch at Peregrine House. This will be funded from the Local Pitches Legends Fund restricted income but is subject to planning permission being obtained.